

June 15, 2007

2007 Legislative Amendments to the Indiana Code Relating to Check Cashers

Effective July 1, 2007

Questions, Answers, and Administrative Interpretations

1. What changes have been made to the licensure exclusions for check cashers?

Answer – In addition to excluding financial institutions from the operation of the check cashing act, the act also does not apply to persons engaged in the business of cashing if the transaction is incidental to the retail sale of goods or services and consideration for cashing checks does not exceed the greater of two percent (2%) of the face amount of the check or two dollars (\$2). This represents an increase from the greater of 1% or \$1. [IC 28-8-5-1]

2. What changes have been made to the information required on an application for a check casher's license?

Answer – In addition to the information previously required, the application for a check casher's license will require that the applicant disclose if its executive officers, key shareholders and other owners, directors or other individuals who exercise supervisory responsibility are under indictment or have been convicted of or pleaded guilty or nolo contendere for a felony involving fraud, deceit, or misrepresentation in Indiana or any other jurisdiction. [IC 28-8-5-11]

3. How have the grounds for denial of a check casher's licenses been changed?

Answer – In addition to applications submitted on behalf of persons who do not qualify for a check casher's license, the department may refuse to issue a license if an applicant or its executive officers, key shareholders and other owners, directors or other individuals who exercise supervisory responsibility have been convicted of a felony involving fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction. [IC 28-8-5-12]

4. What limitations have been imposed upon the fees which may be charged by check cashers?

Answer – A licensee may not charge check cashing fees in excess of the greater of ten dollars (\$10) or ten percent (10%) of the face amount of a check, in the case of a personal check; or the greater of five dollars (\$5) or five percent (5%) of the face amount of a check, in the case of all other checks. [IC 28-8-5-17]

5. What information relating to check cashers must be disclosed periodically to the DFI?

Answer – A licensed check casher shall notify the DFI on the earlier of its renewal date or within 30 days of occurrence if any of its executive officers, key shareholders and other owners, directors or other individuals who exercise supervisory responsibility is under indictment for or has been convicted of or pleaded guilty or nolo contendere to a felony involving fraud, deceit, or misrepresentation under Indiana or any other jurisdiction's laws. [IC 28-8-5-18.4]